

from time to time with reference to any emergency or to the general maintenance of said Premises, or for the purposes of exhibiting the same.

Section 4.10 - Premises Care: The Lessee shall at all times take good care of the demised Premises and shall keep and maintain the leased premises and all improvements of any kind, which may be erected, installed, or made thereon by Lessee, in good and substantial repair and condition. Lessee shall provide proper containers for trash and garbage and shall keep the leased premises free and clear of rubbish, debris and litter at all times. Port shall at all times during ordinary business hours have the right to enter upon and inspect such premises. Such inspections shall be made only at a mutually agreeable time.

Section 4.11 - Surrender: At the expiration or sooner termination of this Lease, the Lessee will surrender and deliver up said Premises to the Port or those having the Port's estate therein, in the same condition as the Lessee now receives said Premises, ordinary wear and tear and damage by fire and the elements alone excepted.

Section 4.12 - Action/Suit: If any suit or appeal thereof is instituted by either party for the enforcement of any covenant contained in this Lease, the prevailing party shall recover, in

addition to costs and disbursements, such attorneys' fees as the court may adjudge reasonable to be allowed in such suit or action or appeal thereof.

Section 4.13 - Default: If the rent shall be in arrears for a period of ten (10) days; or if the Lessee fails to keep or perform any of the covenants or conditions of this Lease; or if the leasehold interest of the Lessee shall be attached or levied on under execution; or if a petition is filed by Lessee for an arrangement with his creditors under Chapter 11 of the Bankruptcy Act; or if the Lessee shall be declared bankrupt or insolvent according to law; or if any assignment of the Lessee's property shall be made for the benefit of creditors, or otherwise, or if the Lessee fails to make prompt payment of any amounts due the Port in connection with the Lessee's occupancy of the Premises, then, and in any of said events, the Port may at the Port's option at once, without notice to the Lessee or any other person, terminate this Lease; and upon the termination of said Lease at the option of the Port, as aforesaid, or at the expiration of this Lease, and upon the termination of said Lease by its terms, the Lessee will at once surrender possession of said Premises to the Port and remove all the Lessee's effects therefrom; and if such possession be not immediately surrendered, the Port may forthwith enter into and on said Premises and repossess them as of the Port's former estate and expel the Lessee, or those claiming under the Lessee, and remove the effects of any of them,

forcibly if necessary, and lock said Premises, without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenants; and that in such event the Lessee expressly waives the service of any notice of intention so to terminate this Lease or to retake the Premises, and waives service of any demand for payment of rent or for possession any of any and every other notice or demand prescribed by any law of the State of Oregon.

Section 4.14 - Remedies on Default: In the event of termination on default, the Port shall be entitled to request immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the Lease term the value of the Lessee's obligations to pay rent under this Lease, plus the reasonable cost of re-entry and reletting, including, without limitation, the cost of any cleanup, refurbishing, removal of the Lessee's property and fixtures or any other expense occasioned by the Lessee's failure to quit the demised Premises upon termination or to leave them in the required condition, any remodeling costs, attorneys' fees, court costs, broker commissions, and advertising costs, plus the unpaid cost of any tenant improvements being amortized over the term of this Lease, plus the amount of the loss of reasonable rental value from the date of default until a new tenant has been, or, with the exercise of reasonable diligence, could have been secured.

Section 4.15 - Liens: The Lessee shall not suffer or permit any mechanic's lien to be filed against the fee of the demised Premises nor against the Lessee's leasehold interest in said Premises by reason of work, labor, services, or materials thereof through or under the Lessee, and nothing in this Lease contained shall be deemed or construed in any way as constituting the consent or request of the Port, express or implied, by inference or otherwise to any contractor, subcontractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration, or repair of or to the demised Premises or any part thereof, nor as giving the Lessee any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanic's lien against the fee of the demised Premises. If any such mechanic' lien shall at any time be filed against demised Premises, the Lessee shall cause the same to be discharged of record within twenty (20) days after the date of filing the same.

Section 4.16 - Holding Over: If the Lessee shall hold over after the expiration of the term of this Lease, and shall not have agreed in writing with the Port upon the terms and provision of a new lease prior to such expiration, the Lessee shall remain bound by all terms, covenants, and agreements hereof, except that the tenancy shall be one from month to month.

Section 4.17 - Utilities: Lessee shall promptly pay any charges for sewer, water, gas, electricity, telephone, and all other charges for utilities which may be furnished to the leased premises (see Attachment 'A').

Section 4.18 - Regulations: The Port, for the proper maintenance of said building; the rendering of good service, and the providing of safety, order, and cleanliness, may make and enforce regulations appropriate for such purposes but not in enlargement of or inconsistent with the terms, covenants and conditions of this Lease.

Section 4.19 - Waiver: Any waivers shall be in writing. The covenants of this Lease are continuing covenants and the waiver by the Lessor of breaches of said covenants shall not be deemed a waiver of subsequent breaches thereof.

Section 4.20 - Modification: This Lease may not be modified except by endorsement in writing attached to this Lease, dated and signed by all the parties hereto, and Port shall not be bound by any oral or written statement of any servant, agent, or employee modifying this Lease.

Section 4.21 - Parties: The rights, liabilities, and remedies provided for herein shall extend to the heirs, legal representatives,

successors and, so far as the terms of this Lease permit, assigns of the parties hereto, and the words "Port" and "Lessee" and their accompanying verbs or pronouns, wherever used in this Lease, shall apply equally to all persons, firms, or corporations which may be or become parties hereto.

Section 4.22 - Subordination: This Lease shall be subject and subordinate to such liens and encumbrances as are now on or as Port may hereafter impose on the land and building, and the Lessee shall upon request of Port, execute and deliver agreements of subordination consistent herewith.

Section 4.23 - Taxes: Lessee agrees to pay all lawful taxes and assessments which during the term hereof or any extension may become a lien or which may be levied by the State, County, City, or any other tax levying body upon the Premises or upon any taxable interest by Lessee acquired in this Lease or any taxable possessory right which Lessee may have in or to the Premises of facilities hereby leased or the improvements thereon by reason of its occupancy thereof as well as all taxes on all taxable property, real or personal, owned by Lessee in or about said Premises. Upon making such payments, Lessee shall give to the Port a copy of the receipts and vouchers showing such payment. Upon any termination of tenancy, all taxes then levied or then a lien on any of said property or taxable interest therein shall be paid in full without proration by Lessee

forthwith or as soon as a statement thereof has been issued by tax collector.

Section 4.24 - Insurance: Lessee shall maintain comprehensive, general and automobile liability insurance for the protection of Lessee, directors, officers, servants, and employees, insuring Lessee against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises leased or occasioned by reason of the operations of the Lessee with insurance of not less than One Million and No/100 Dollars (\$1,000,000.00) combined single limit. Such insurance shall name the Port, its commissioners, officers, and employees as additional named insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by the Lessee.

Lessee shall furnish to the Port an acceptable certificate evidencing the date, amount, and type of insurance that has been procured pursuant to this Lease. All policies of insurance will provide for not less than thirty (30) days written notice to the Port and the Lessee before such policies may be revised, nonrenewed or cancelled.

Section 4.25 - Notices: All notices required under this Lease shall be deemed to be properly served if sent by certified mail to the last address previously furnished by the parties hereto. Until hereafter changed by the parties by notice in writing, notices shall be sent to the Port at the Port of Portland, PO Box 3529, Portland, Oregon 97208, and to the Lessee at Lockport Marine Company, 5555 N. Channel Ave., Bldg. 10, Portland, OR 97217.

IN WITNESS WHEREOF, the parties hereto have subscribed their names.

LESSEE

THE PORT OF PORTLAND

By Paul L. Hewman

By [Signature]
Executive Director

By _____

By _____

APPROVED AS TO FORM:

APPROVED AS TO LEGAL SUFFICIENCY:

Counsel for Lessee

MB Playfair
Counsel for The Port of Portland

ATTACHMENT 'A'

This disclosure statement refers to the lease dated _____, between the PORT OF PORTLAND and LOCKPORT MARINE COMPANY, for the month-to-month rental of the improved space commonly known as Building B-305.

For the authorized purposes of the above lease, the following utilities will be provided at the stated rates:

<u>Y/N</u>	<u>UTILITY</u>	<u>NOTE</u>
Y	Electricity	(\$0.08/kwh)
Y	Natural Gas	(\$0.46/ccf)
N	Steam	(\$265.00/service day)
N	Compressed Air	(\$17.50/workday-Light Service) (\$70.00/workday-Heavy Service)
N	Oxygen-with Gas	(\$5.00/100 cf of Gas Consumed)
Y	Area Heat	Not Available <i>MA</i>
N	Area Air Cond.	Not Available
N	Water	(\$4.00/ccf of Water consumed)
N	Sewer	-or- (\$137.50/month)
Y	Flat rate of \$0.10 per square foot per month (\$200.00 per month)	

TELEPHONE SERVICE, REFUSE COLLECTION, AND JANIITORIAL SERVICES ARE THE RESPONSIBILITY OF THE LESSEE.

The rates are subject to change upon thirty-days notice.

ACKNOWLEDGED:

Paul A. Newman
Signature

Oct 23, 1986
Date

LONG-TERM
LEASE OF IMPROVED SPACES

THIS LEASE, dated August 15, 1986, by and between THE PORT OF PORTLAND, a municipal corporation of the State of Oregon, hereinafter referred to as "Port," and LOCKPORT MARINE COMPANY, a corporation organized under the laws of the State of Oregon, hereinafter referred to as "Lessee."

WITNESSETH:

ARTICLE I - PREMISES

Section 1.01. - Description: Port leases to Lessee, on the terms and conditions stated below, the premises consisting of Building 4, Bay 1; approximately Twenty-two Thousand Three Hundred (22,300) square feet.

Section 1.02 - Use of Premises: Lessee may use the Premises only for the following purpose: Shops and warehouses related to ship repair.

ARTICLE II - TERM

The term of this Lease shall commence upon September 1, 1986, and shall continue for a period of twelve (12) months, after which the lease is to continue on a month-to-month basis unless terminated by either party upon thirty (30) days written notice or by Lessee's default.

ARTICLE III - RENTAL

Section 3.01 - Rent: For the twelve (12) month period, Lessee shall pay to Port monthly rental equal to Four Thousand Fifteen Dollars (\$4,015.00) per month.

Section 3.02 - Time and Place of Payments: Payment of the above-stated rent shall be paid by Lessee to the Port on or before the tenth (10th) day of each calendar month at its offices in Portland, Oregon, or such other place as the Port may designate. All amounts not paid by Lessee when due shall bear interest at the rate of ten percent (10%) per annum.

ARTICLE IV - LESSEE OBLIGATIONS

Section 4.01 - Maintenance: Lessee shall keep and maintain the leased premises and all improvements of any kind, which may be erected, installed or made thereon by Lessee, in good and substantial repair and condition, and shall make all necessary repairs and alterations thereto. Lessee shall provide proper containers for trash and garbage and shall keep the leased premises free and clear of rubbish, debris, and litter at all times. Port shall at all times during ordinary business hours have the right to enter upon and inspect such premises. Such inspections shall be made only at a mutually agreeable time.

Section 4.02 - Utilities: Lessee shall promptly pay any charges for sewer, water, gas, electricity, telephone, and all other charges for utilities which may be furnished to the leased premises at Lessee's order or consent (see Attachment 'A').

Section 4.03 - Liens: Lessee agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery or equipment which have been furnished or ordered with Lessee's consent to be furnished to or for the Lessee in, upon or about the premises herein leased, which may be secured by any mechanics', materialmen's or other lien against the premises herein leased or Port's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the Lessee may in good faith contest any mechanics' or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest.

Section 4.04 - Taxes: Lessee agrees to pay all lawful taxes and assessments which during the term hereof or any extension may become a lien or which may be levied by the state, county, city, or any other tax levying body upon the premises or upon any taxable interest by Lessee acquired in this Lease or any taxable possessory right which Lessee may have in or to the premises or facilities hereby leased or the improvements thereon by reason of its occupancy

thereof as well as all taxes on all taxable property, real or personal, owned by Lessee in or about said premises. Upon making such payments, Lessee shall give to the Port a copy of the receipts and vouchers showing such payment. Upon any termination of tenancy, all taxes then levied or then a lien on any of said property or taxable interest therein shall be paid in full without proration by Lessee forthwith or as soon as a statement thereof has been issued by the tax collector.

ARTICLE V - INDEMNITY AND INSURANCE

Section 5.01 - Indemnity: Lessee agrees fully to indemnify, save harmless and defend the Port, its commissioners, officers and employees from and against all claims and actions and all expenses incidental to the investigation and defense thereof, based upon or arising out of damages or injuries to third persons or their property, caused by the fault or negligence of the Lessee, its subtenants or employees in the use or occupancy of the premises hereby leased; provided that the Port shall give to the Lessee prompt and reasonable notice of any such claims or actions, and the Lessee shall have the right to investigate, compromise and defend same; provided further such claim is not the result of negligent act of the Port.

Section 5.02 - Insurance:

A. Lessee shall keep the premises herein leased together with any and all improvements placed thereon, that would revert to the Port per Article VII, continuously insured with an insurance

Underwriter(s) satisfactory to the Port and authorized to do business in Oregon against loss or damage by fire and lightning, with the standard extended coverage endorsement in an amount equal to ninety percent (90%) of the current replacement value of the property.

B. Lessee shall maintain comprehensive, general and automobile liability insurance for the protection of Lessee, directors, officers, servants and employees, insuring Lessee against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the premises leased or occasioned by reason of the operations of the Lessee with insurance of not less than One Million and No/100 Dollars (\$1,000,000.00) combined single limit. Such insurance shall name the Port, its commissioners, officers, and employees as additional named insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by the Lessee during the term of the Lease or any renewal thereof.

C. Lessee shall furnish to the Port a certificate as attached evidencing the date, amount and type of insurance that has been procured pursuant to this Lease. All policies of insurance will provide for not less than thirty (30) days written notice to the Port and the Lessee before such policies may be revised, nonrenewed or cancelled.

Section 5.03 - Waiver of Subrogation: The Port and Lessee agree that each forfeits any right of action that it may later acquire against the other of the parties to the Lease for loss or damage to its property, or to property in which it may have an interest, where such loss is caused by fire, or any of the extended coverage hazards, and arises out of or is connected with the leasing of the premises.

Section 5.04 - Damage or Destruction of Premises:

A. If the leased premises or any improvements thereon, that would revert to the Port per Article VII, are damaged or destroyed by fire or other casualty, Lessee (1) shall promptly repair, rebuild or restore the property damaged or destroyed to substantially the same condition preceding the fire or other casualty, and in accordance with the applicable building codes as existed at the time of loss causing such damage or destruction, and (2) shall apply for such purpose so much as may be necessary of any net proceeds of insurance resulting from claims for such losses, as well as any additional money of Lessee necessary therefor.

B. If such damage or destruction shall occur during the last three (3) years of the original term of this Lease or during the last year of any extended term thereof, and further if the damage or destruction which occurs during said three (3) year period or last year is such that the cost of repair, rebuilding or restoration of the leased property damaged or destroyed exceeds fifty percent (50%) of the fair market value of the Port-built improvements upon the leased premises immediately prior to such damage or destruction,

Lessee shall have the option to and shall within sixty (60) days from the damage or destruction, notify Port in writing whether or not Lessee elects to repair, rebuild, restore in accordance with Paragraph A above or to terminate this Lease. Upon giving such notice to terminate, this Lease shall terminate on the date specified in the notice and Port shall be entitled to the net proceeds of insurance.

C. If the leased premises or any improvements thereon, that revert to the Port under Article VII, are damaged or destroyed by fire or other casualty, and Lessee is engaged in the prompt repair, rebuilding or restoration of the property under Paragraph A above, then the building rent shall be abated in the same proportion as the damage makes the building uninhabitable for so long as it is unusable.

ARTICLE VI - DEFAULT

Section 6.01 - Events of Default:

A. Default in Rent: Failure of Lessee to pay any rent or other charge within ten (10) days after it is due.

B. Default in Other Covenants: Failure of Lessee to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of rent or other charges) within thirty (30) days after written notice by Port specifying the nature of the default with reasonable particularity. If the default is of such a nature

that it cannot be completely remedied within the thirty (30) day period, this provision shall be complied with if Lessee begins correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

C. Insolvency: Insolvency of Lessee; an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; the filing of an involuntary petition of bankruptcy and failure of the Lessee to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levying of execution on the leasehold interest and failure of the Lessee to secure discharge of the attachment or release of the levy of execution within ten (10) days.

D. Abandonment: Failure of the Lessee for fifteen (15) days or more to occupy the property for one or more of the purposes permitted under this Lease unless such failure is excused under other provisions of this Lease.

Section 6.02 - Remedies on Default: In the event of a default, the Port at its option may terminate the Lease by notice in writing by certified mail to Lessee. If the property is abandoned by Lessee in connection with a default, termination shall be automatic and without notice.

A. Damages: In the event of termination on default, Port shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the Lease term, the following amounts as damages:

1. Any excess of (a) the value of all of Lessee's obligations under this Lease, including the obligation to pay rent, from the date of default until the end of the term, over (b) the reasonable rental value of the property for the same period figured as of the date of default.
2. The reasonable costs of reentry and reletting including without limitation the cost of any clean up, refurbishing, removal of Lessee's property and fixtures, or any other expense occasioned by Lessee's failure to quit the premises upon termination and to leave them in the required condition, any remodeling costs, attorney fees, court costs, broker commissions and advertising cost.
3. The loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been, secured.

4. In no event shall Lessee's duty to pay rent upon the property or improvements thereon continue for a period longer than twenty-four (24) months from the date of termination.

B. Reentry After Termination: If the Lease is terminated for any reason, Lessee's liability for damages shall survive such termination, and the rights and obligations of the parties shall be as follows:

1. Lessee shall vacate the property immediately, remove any property of Lessee including any fixtures which Lessee is required to remove at the end of the lease term, perform any cleanup, alterations or other work required to leave the property in the condition required at the end of the term, and deliver all keys to the Port.
2. Port may reenter, take possession of the premises and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages.

C. Reletting: Following reentry or abandonment, Port may relet the premises and in that connection may:

1. Make any suitable alterations or refurbish the premises, or both, or change the character of use of the premises, but Port shall not be required to relet for any use or purpose (Other than that specified in the Lease) which Port may reasonably consider injurious to the premises, or to any tenant which Port may reasonably consider objectionable.
2. Relet all or part of the premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this Lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

ARTICLE VII - TERMINATION

Upon termination of the Lease for any reason, Lessee shall deliver all keys to the Port and surrender the leased premises in good condition. Alterations constructed by the Lessee with permission from the Port shall be removed or restored to the original condition unless the terms of permission for the alteration require other action. Depreciation and wear from ordinary use for the purpose for which the premises were let need not be restored, but all repair for which the Lessee is responsible shall be completed to the latest practical date prior to such surrender. The Lessee's obligations under this paragraph shall be subordinate to the provisions of Article V, Section 5.04, related to destruction.

ARTICLE VIII - GENERAL PROVISIONS

Section 8.01 - Assignment of Interest or Rights: Neither Lessee nor any assignee or other successor of Lessee shall in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer or encumber any of Lessee's rights in and to this Lease or any interest therein, nor license or permit the use of the rights herein granted in whole or in part without the prior written consent of the Port, which consent shall not be unreasonably withheld.

Lessee shall not assign all or any part of its rights and interests under this Lease to any successor to its business through merger, consolidation, or voluntary sale or transfer of substantially all of its assets, without prior written approval of the Port, which consent shall not be unreasonably withheld.

Section 8.02 - Condemnation: If the leased premises or any interest therein is taken as a result of the exercise of the right of eminent domain, this Lease shall terminate as to such portion as may be taken. If the portion taken does not feasibly permit the continuation of the operation of the facility by the Lessee, the Lessee shall have the right to cancel. Such cancellation shall be effective as of the date of taking. Port shall be entitled to that portion of the award as represented by the land and the improvements.

Section 8.03 - Nonwaiver: Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

Section 8.04 - Attorney Fees: If suit or action is instituted in connection with any controversy arising out of this Lease, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in the event of appeal as allowed by the appellate court.

Section 8.05 - Statutory Provisions: This Lease is subject to the provisions of Oregon Revised Statutes 279.312 through 279.320, inclusive, which by this reference are incorporated herein as fully as though set forth verbatim.

Section 8.06 - Time of Essence: It is mutually agreed that time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this Lease.

Section 8.07 - Headings: The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provisions of this Lease.

Section 8.08 - Consent of Port: Whenever consent, approval or direction by the Port is required under the terms contained herein, all such consent, approval or direction shall be received in writing from the Executive Director of The Port of Portland.

Section 8.09 - Notices: All notices required under this Lease shall be deemed to be properly served if sent by certified mail to the last address previously furnished by the parties hereto. Until hereafter changed by the parties by notice in writing, notices shall be sent to the Port at The Port of Portland, PO Box 3529, Portland, Oregon 97208, and to the Lessee at Lockport Marine Company, Inc., 5555 N. Channel Ave., Bldg. 10, Portland, Oregon 97217. Date of service of such notice is date such notice is deposited in a post office of the United States Post Office Department, postage prepaid.

Section 8.10 - Modification: Modification of the Lease as to term, area or any reason shall result in renegotiation of the rental.

Section 8.11 - Fixtures: The Lessee will make no installations, alterations, modification, or additions to said Premises without first obtaining the written consent of the Port and all additions, improvements, and fixtures, except the moveable office furniture and trade fixtures of the Lessee, made or added either by the Lessee or the Port shall be and remain property of the Port; provided, however, the Port may require that the Lessee remove upon termination of this Lease any additions made or fixtures added by the Lessee's expense.

B. The Lessee shall remove any or all fixtures which would otherwise remain the property of the Lessee, and shall repair any physical damage resulting from the removal. If the Lessee fails to remove such fixtures, the Port may do so and charge the cost to the Lessee with interest at ten percent (10%) per annum from the date of expenditure. The Lessee shall remove all furnishings, furniture and trade fixtures which remain the property of the Lessee. If the Lessee fails to do so, this shall be an abandonment of the property, and the Port may retain the property and all rights of the Lessee with respect to it shall cease or, by notice in writing given to lessee within twenty (20) days after removal was required, the Port may elect to hold the Lessee to his obligation of removal. If the Port elects to require the Lessee to remove, the Port may effect a removal and place the property in public storage for the Lessee's account. The Lessee shall be liable to the Port for the cost of removal, transportation to storage, and storage, with interest at ten percent (10%) per annum on all such expenses from the date of expenditure by the Port.

C. The time for removal of any property or fixtures which the Lessee is required to remove from the leased premises upon termination shall be as follows:

1. On or before the date the Lease terminates because of expiration of the original or a renewal term or because of default.
2. Within thirty (30) days after Lease expiration.

Section 8.12 - Pledge of Leasehold Interest: Lessee may from time to time pledge its leasehold interest subject to approval of Port, and the Lessee shall provide notice forthwith of such intended pledging. The term of any such pledge and loan shall not run beyond the current lease term.

IN WITNESS WHEREOF, the parties hereto have subscribed their names.

LESSEE

By

[Signature]

By

APPROVED AS TO FORM

Counsel for Lessee

THE PORT OF PORTLAND

By

[Signature]
PRESIDENT

By

[Signature]
ASST. SECRETARY

APPROVED AS TO FORM

[Signature]
Counsel for The Port of Portland

APPROVED BY COMMISSION ON

9-10-86

ATTACHMENT 'A'
MONTH-TO-MONTH AGREEMENT
FOR UTILITY SERVICES
IN BUILDING 4

This disclosure statement is attached to and a part of the lease dated June 1, 1986 between the PORT OF PORTLAND and LOCKPORT MARINE COMPANY, INC. for the lease of improved space known as Building 4, Bay 2. For the purposes of this lease, the following utilities are provided at the stated rates subject to change on thirty days notice:

I. ELECTRICITY

The charge will be based on a monthly meter reading and the current tariff rate (\$0.08 per KWH on 5/85) per KWH. Each bay of Building 4 may be separately metered.

II. GAS & OXYGEN

The charge will be based on a monthly meter reading and the current tariff rate (\$5.00 per 100 cf. of gas consumed--assumes four parts oxygen to one part natural gas). Each bay of Building 4 may be metered separately.


III. WATER & SEWER

Each Bay is assessed at the rate of \$137.50 per month

IV. COMPRESSED AIR

The minimum service charge per bay is \$17.50 per workday with a 22 workday per month minimum and includes light duty service (air impact tools). Heavy use of air (blasting and coating) requires prior arrangement with PSRY Operations and is charged at \$70.00 per day.

ACKNOWLEDGED:


Signature

26 Aug 86
Date

LEASE

BETWEEN

THE PORT OF PORTLAND

AND

LOCKPORT MARINE COMPANY

85-104

Cancelled
8/31/86

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LEASE

THIS LEASE, dated _____, 1985, by and between THE PORT OF PORTLAND, a municipal corporation of the State of Oregon, hereinafter referred to as Port, and LOCKPORT MARINE COMPANY, a corporation organized under the laws of the State of Oregon, hereinafter referred to as Lessee.

WITNESSETH:

ARTICLE I - PREMISES

Section 1.01 - Description: Port leases to Lessee, on the terms and conditions stated below, the premises consisting Building 10⁴ Bay 1; approximately 22,300 square feet.

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Section 1.02 - Use of Premises: Lessee may use the premises only for the following purpose: ship repair, conversion and construction, with related shops, and offices.

ARTICLE II - TERM

The term of this Lease shall commence ^{ON JUNE 1, 1985} ~~upon completion of construction~~ and shall continue for a period of two years with an option for an additional three years to be exercised at the sole discretion of the Port upon award of a contract to Lessee.

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ARTICLE III - RENTAL

Section 3.01 - Rent: For the first one-year period, Lessee shall pay to Port monthly rental equal to Eighteen Cents (\$0.18) per square foot per month or Four Thousand Fifteen Dollars (\$4,015) per month. Thereafter, the annual rate will escalate \$0.02 per square foot per month to a maximum of \$0.25 per square foot per month.

@ 20¢ Year 2 = 4460/mo
22¢ Year 3 = 4906/mo
24¢ Year 4 = 5352/mo
25¢ Year 5 = 5575/mo

243,516
48,180

Section 3.02 - Time and Place of Payments: Lessee shall pay Port monthly, on or before the tenth (10th) day of each calendar month, one-twelfth (1/12) of the then prevailing annual rental.

Payment shall be to the Port at its offices in Portland, Oregon, or such other place as the Port may designate. All amounts not paid by Lessee when due shall bear interest at the rate of ten percent (10%) per annum.

ARTICLE IV - LESSEE OBLIGATIONS

Section 4.01 - Maintenance: Lessee shall keep and maintain the leased premises and all improvements of any kind, which may be erected, installed or made thereon by Lessee, in good and substantial repair and condition, and shall make all necessary repairs and alternations thereto. Lessee shall provide proper containers for trash and garbage and shall keep the leased premises free and clear of rubbish, debris, and litter at all times. Port shall at all times during ordinary business hours have the right to enter upon and inspect such premises. Such inspections shall be made only at a mutually agreeable time.

Section 4.02 - Utilities: Lessee shall promptly pay any charges for sewer, water, gas, electricity, telephone, and all other charges for utilities which may be furnished to the leased premises at Lessee's order or consent (See Attachment 'A')

Section 4.03 - Liens: Lessee agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery or equipment which have been furnished or ordered with Lessee's consent to be furnished to or for the Lessee in, upon or about the premises herein leased, which may be secured by any mechanics', materialsmen's or other lien against the premises herein leased or Port's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the Lessee may in good faith contest any mechanics' or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest.

Section 4.04 - Taxes: Lessee agrees to pay all lawful taxes and assessments which during the term hereof or any extension may become a lien or which may be levied by the state, county, city, or any other tax levying body upon the premises or upon any taxable interest by Lessee acquired in this Lease or any taxable possessory right which Lessee may have in or to the premises or facilities hereby leased or the improvements thereon by reason of its occupancy thereof as well as all taxes on all taxable property, real or personal, owned by Lessee in or about said premises. Upon making such payments, Lessee shall give to the Port a copy of the receipts and vouchers showing such payment. Upon any termination of tenancy, all taxes then levied or then a lien on any of said property or taxable interest therein shall be paid in full without proration by Lessee forthwith or as soon as a statement thereof has been issued by the tax collector.

ARTICLE V - INDEMNITY AND INSURANCE

Section 5.01 - Indemnity: Lessee agrees fully to indemnify, save harmless and defend the Port, its commissioners, officers and employees from and against all claims and actions and all expenses incidental to the investigation and defense thereof, based upon or arising out of damages or injuries to third persons or their property, caused by the fault or negligence of the Lessee, its subtenants or employees in the use or occupancy of the premises hereby leased; provided that the Port shall give to the Lessee prompt and reasonable notice of any such claims or actions, and the Lessee shall have the right to investigate, compromise and defend same, provided such claim is not the result of a negligent act of the Port.

Section 5.02 - Insurance:

- A. Lessee shall keep the premises herein leased together with any and all improvements placed thereon, that would revert to the Port per Article VII, continuously insured with an insurance underwriter(s) satisfactory to the Port and authorized to do business in Oregon against loss or damage by fire and lightning, with the standard extended coverage endorsement in an amount equal to ninety percent (90%) of the current replacement value of the property.

- B. Lessee shall maintain comprehensive, general and automobile liability insurance for the protection of Lessee, directors, officers, servants and employees, insuring Lessee against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the premises leased or occasioned by reason of the operations of the Lessee with insurance of not less than One Million and No/100 Dollars (\$1,000,000.00) combined single limit. Such insurance shall name the Port, its commissioners, officers, and employees as additional named insured with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by the Lessee during the term of the Lease or any renewal thereof.
- C. Lessee shall furnish to the Port a certificate as attached evidencing the date, amount and type of insurance that has been procured pursuant to this Lease. All policies of insurance will provide for not less than thirty (30) days written notice to the Port and the Lessee before such policies may be revised, nonrenewed or cancelled.

Section 5.03 - Waiver of Subrogation: The Port and Lessee agree that each forfeits any right of action that it may later acquire against the other of the parties to the Lease for loss or damage to its property, or to property in which it may have an interest, where such loss is caused by fire, or any of the extended coverage hazards, and arises out of or is connected with the leasing of the premises.

Section 5.04 - Damage or Destruction of Premises:

- A. If the leased premises or any improvements thereon, that would revert to the Port per Article VII, are damaged or destroyed by fire or other casualty, Lessee (1) shall promptly repair, rebuild or restore the property damaged or destroyed to substantially the same condition preceding the fire or other casualty, and in accordance with the applicable building codes as existed at the time of loss causing such damage or destruction, and (2) shall apply for such purpose so much as may be necessary of any net proceeds of insurance resulting from claims for such losses, as well as any additional money of Lessee necessary therefor.

- B. If such damage or destruction shall occur during the last three (3) years of the original term of this Lease or during the last year of any extended term thereof, and further if the damage or destruction which occurs during said three (3) year period or last year is such that the cost of repair, rebuilding or restoration of the leased property damaged or destroyed exceeds fifty percent (50%) of the fair market value of the Port-built improvements upon the leased premises immediately prior to such damage or destruction, Lessee shall have the option and shall within sixty (60) days from the damage or destruction, notify Port in writing whether or not Lessee elects to repair, rebuild, restore in accordance with Paragraph A above or to terminate this Lease. Upon given such notice to terminate, this Lease shall terminate on the date specified in the notice and Port shall be entitled to the net proceeds of insurance.
- C. If the leased premises or any improvements thereon, that revert to the Port under Article VII, are damaged or destroyed by fire or other casualty, and Lessee is engaged in the prompt repair, rebuilding or restoration of the property under Paragraph A above, then the building rent shall be abated in the same proportion as the damage makes the building uninhabitable for so long as it is unusable.

ARTICLE VI - DEFAULT

Section 6.01 - Events of Default:

- A. Default in Rent: Failure of Lessee to pay any rent or other charge within ten (10) days after it is due.
- B. Default in Other Covenants: Failure of Lessee to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of rent or other charges) within thirty (30) days after written notice by Port specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the thirty (30) day period, this provision shall be complied with if Lessee begins correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

- C. Insolvency: Insolvency of Lessee; an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; the filing of an involuntary petition of bankruptcy and failure of the Lessee to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levying of execution on the leasehold interest and failure of the Lessee to secure discharge of the attachment or release of the levy of execution within ten (10) days.
- D. Abandonment: Failure of the Lessee for fifteen (15) days or more to occupy the property for one or more of the purposes permitted under this lease unless such failure is excused under other provisions of this Lease.

Section 6.02 - Remedies on Default: In the event of a default, the Port at its option may terminate the Lease by notice in writing by certified mail to Lessee. If the property is abandoned by Lessee in connection with a default, termination shall be automatic and without notice.

- A. Damages: In the event of termination on default, Port shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the Lease term, the following amounts as damages:
 - 1. Any excess of (a) the value of all of Lessee's obligations under this Lease, including the obligation to pay rent, from the date of default until the end of the term, over (b) the reasonable rental value of the property for the same period figured as of the date of default.
 - 2. The reasonable costs of re-entry and reletting including without limitation the cost of any clean up, refurbishing, removal of Lessee's property and fixtures, or any other expense occasioned by Lessee's failure to quit the premises upon termination and to leave them in the required condition, any remodeling costs, attorney fees, court costs, broker commissions and advertising cost.

3. The loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been, secured.
 4. In no event shall Lessee's duty to pay rent upon the property or improvements thereon continue for a period longer than twenty-four (24) months from the date of termination.
- B. Re-entry After Termination: If the Lease is terminated for any reason, Lessee's liability for damages shall survive such termination, and the rights and obligations of the parties shall be as follows:
1. Lessee shall vacate the property immediately, remove any property of Lessee including any fixtures which Lessee is required to remove at the end of the lease term, perform any cleanup, alterations or other work required to leave the property in the condition required at the end of the term, and deliver all keys to the Port.
 2. Port may re-enter, take possession of the premises and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages.
- C. Reletting: Following re-entry or abandonment, Port may relet the premises and in that connection may:
1. Make any suitable alterations or refurbish the premises, or both, or change the character or use of the premises, but Port shall not be required to relet for any use or purpose (other than that specified in the Lease) which Port may reasonably consider injurious to the premises, or to any tenant which Port may reasonably consider objectionable.
 2. Relet all or part of the premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this Lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

ARTICLE VII - TERMINATION

Upon termination of the Lease for any reason, Lessee shall deliver all keys to the Port and surrender the leased premises in good condition. Alterations constructed by the Lessee with permission from the Port shall be removed or restored to the original condition unless the terms of permission for the alteration require other action. Depreciation and wear from ordinary use for the purpose for which the premises were let need not be restored, but all repair for which the Lessee is responsible shall be completed to the latest practical date prior to such surrender. The Lessee's obligations under this paragraph shall be subordinate to the provisions of Article V, Section 5.04, related to destruction.

ARTICLE VIII - GENERAL PROVISIONS

Section 8.01 - Assignment of Interest or Rights: Neither Lessee nor any assignee or other successor of Lessee shall in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer or encumber any of Lessee's rights in and to this Lease or any interest therein, nor license or permit the use of the rights herein granted in whole or in part without the prior written consent of the Port, which consent shall not be unreasonably withheld.

Lessee shall not assign all or any part of its rights and interests under this Lease to any successor to its business through merger, consolidation, or voluntary sale or transfer of substantially all of its assets, without prior written approval of the Port, which consent shall not be unreasonably withheld.

Section 8.02 - Condemnation: If the leased premises or any interest therein is taken as a result of the exercise of the right of eminent domain, this Lease shall terminate as to such portion as may be taken. If the portion taken does not feasibly permit the continuation of the operation of the facility by the Lessee, the Lessee shall have the right to cancel. Such cancellation shall be effective as of the date of taking. Port shall be entitled to that portion of the award as represented by the land and the improvements.

Section 8.03 - Nonwaiver: Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of

or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

Section 8.04 - Attorney Fees: If suit or action is instituted in connection with any controversy arising out of this Lease, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in the event of appeal as allowed by the appellate court.

Section 8.05 - Statutory Provisions: This Lease is subject to the provisions of Oregon Revised Statutes 279.312 through 279.320, inclusive, which by this reference are incorporated herein as fully as though set forth verbatim.

Section 8.06 - Time of Essence: It is mutually agreed that time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this Lease.

Section 8.07 - Headings: The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provisions of this Lease.

Section 8.08 - Consent of Port: Whenever consent, approval or direction by the Port is required under the terms contained herein, all such consent, approval or direction shall be received in writing from the Executive Director of The Port of Portland.

Section 8.09 - Notices: All notices required under this Lease shall be deemed to be properly served if sent by certified mail to the last address previously furnished by the parties hereto. Until hereafter changed by the parties by notice in writing, notices shall be sent to the Port at The Port of Portland, PO Box 3529, Portland, Oregon 97208, and to the Lessee at Lockport Marine Company, 5555 N. Channel, Building 10, Portland, Oregon 97217. Date of service of such notice is date such notice is deposited in a post office of the United States Post Office Department, postage prepaid.

Section 8.10 - Modification: Modification of the Lease as to term, area or any reason shall result in renegotiation of the rental.

Section 8.11 - Fixtures:

- A. All permanent improvements placed upon the leased premises by Lessee ^{Lessee} prior to or during the term shall remain the property of the Lessee. Provided, however, that improvements made by special permit shall be subject to the conditions of such permit.
- B. The Lessee shall remove any or all fixtures which would otherwise remain the property of the Port, and shall repair any physical damage resulting from the removal. If the Lessee fails to remove such fixtures, the Port may do so and charge the cost to the Lessee with interest at ten percent (10%) per annum from the date of expenditure. The Lessee shall remove all furnishings, furniture and trade fixtures which remain the property of the Lessee. If the Lessee fails to do so, this shall be an abandonment of the property, and the Port may retain the property and all rights of the Lessee with respect to it shall cease or, by notice in writing given to Lessee with twenty (20) days after removal was required, the Port may elect to hold the Lessee to his obligation of removal. If the Port elects to require the Lessee to remove, the Port may effect a removal and place the property in public storage for the Lessee's account. The Lessee shall be liable to the Port for the cost of removal, transportation to storage, and storage, with interest at ten percent (10%) per annum on all such expenses from the date of expenditure by the Port.
- C. The time for removal of any property or fixtures which the Lessee is required to remove from the leased premises upon termination shall be as follows:
1. On or before the date the Lease terminates because of expiration of the original or a renewal term or because of default.
 2. Within thirty (30) days after Lease expiration.

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Section 8.12 - Pledge of Leasehold Interest: Lessee may from time to time pledge its leasehold interest subject to approval of

Port, and the Lessee shall provide notice forthwith of such intended pledging. The term of any such pledge and loan shall not run beyond the current lease term.

IN WITNESS WHEREOF, the parties hereto have subscribed their names:

LOCKPORT MARINE COMPANY

By *L. A. Smith*
L. A. Smith, President

By _____

APPROVED AS TO FORM

Counsel for Lessee

THE PORT OF PORTLAND

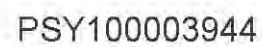
By *John L. Corrigan*
PRESIDENT
By *Paul A. Underwood*
ASST. SECRETARY

APPROVED AS TO FORM

M. B. Playfair
Counsel for The Port of Portland

APPROVED BY COMMISSION ON

APPROVED BY COMMISSION
ON 5-13 19 85



MONTH-TO-MONTH
LEASE OF IMPROVED SPACES

THIS LEASE, dated November 1, 1985, by and between THE PORT OF PORTLAND, a municipal corporation of the State of Oregon, hereinafter referred to as "Port," and LOCKPORT MARINE COMPANY, a corporation organized under the laws of the State of Oregon, hereinafter referred to as "Lessee."

ARTICLE I - PREMISES

Section 1.01. - Description: Port leases to Lessee, on the terms and conditions stated below, the Premises consisting of approximately twelve hundred (1,200) square feet which is on the date of this Lease improved and commonly known as Building 4 Annex, Area E (hereinafter referred to as "Premises").

Section 1.02 - Use of Premises: Lessee may use the Premises only for the following purpose: Offices and shop related to ship repair.

ARTICLE II - TERM

Section 2.01 - Term: The term of this Lease shall commence on November 1, 1985, and shall continue indefinitely, unless terminated by either party upon thirty (30) days written notice or by Lessee's default.

ARTICLE III - RENTAL

Section 3.01 - Basic Rent: Lessee shall pay to Port as rent the sum of Three Hundred Sixty Dollars (\$360.00) per month. Rent shall be payable on the tenth (10th) day of each month in advance, except that rent for the first and last months has been paid upon the execution of this Lease and Port acknowledges receipt of this sum.

Section 3.02 - Place of Payments: Payment shall be to Port at the Port of Portland, PO Box 3529, Portland, Oregon 97208, or such other place as Port may designate. All amounts not paid by Lessee when due shall bear interest at the rate of eighteen percent (18%) per annum. The interest rate of eighteen percent (18%) on overdue accounts is subject to periodic adjustment to reflect the Port's then current interest rate charged on overdue accounts.

ARTICLE IV - GENERAL CONDITIONS

Section 4.01 - Delivery: Should Port be unable to deliver possession of the Premises on the date fixed for the commencement of the term, Lessee shall owe no rent until notice from Port tendering possession to Lessee. If possession is not so tendered within sixty (60) days following commencement of the term, then Lessee may elect to cancel this Lease by notice to Port within ten (10) days following expiration of the sixty (60) day period. Port shall have

no liability to Lessee for delay in delivering possession, nor shall such delay extend the term of this Lease in any manner.

In the event Port shall permit Lessee to occupy the Premises prior to the commencement date herein set forth, such occupancy shall be subject to all the provisions of this Lease. Said early possession shall not advance the termination date hereinabove provided.

Section 4.02 - Assignment: The Lessee will not assign this Lease or any interest hereunder, and will not permit any assignment hereof by operation of law, and will not subrent or sublet said Premises or any portion thereof, and will not permit the use or occupancy of said Premises by other than the Lessee and his agents and employees of the Lessee, without first obtaining the written consent of the Port.

Section 4.03 - Alterations: The Lessee will make no installations, alterations, modification, or additions to said Premises without first obtaining the written consent of the Port and all additions, improvements, and fixtures, except the moveable office furniture and trade fixtures of the Lessee, made or added either by the Lessee or Port shall be and remain the property of the Port; provided, however, the Port may require that the Lessee remove upon termination of this Lease any additions made or fixtures added by the Lessee at the Lessee's expense.

Section 4.04 - Uses: The Lessee will not use or permit in said Premises anything that will increase the rate of fire insurance thereon or prevent the Port taking advantage of any ruling of the Insurance Service Office of Oregon or its successors, which would allow the Port to obtain reduced rates for long-term insurance policies; or maintain anything that may be dangerous to life or limb; or in any manner deface or injure said building or any portion thereof; or overload the floors; or permit any objectionable noise or odor to escape or to be emitted from said Premises; or permit anything to be done upon said Premises in any way tending to create a nuisance or to disturb any other tenants of the building, or to injure the reputation of the building; or to use or permit the use of said Premises for lodging or sleeping purposes or for any immoral or illegal purposes; and that the Lessee will comply at Lessee's own cost and expense with all orders, notices, regulation, or requirements of any municipality, state, or other governmental authority respecting the use of said Premises.

Section 4.05 - Liability: The Port shall not be liable to the Lessee for damage to person or property resulting from the negligence of a co-tenant or anyone else other than the Port, or for any damage to person or property resulting from any condition of the Premises or other cause, including but not limited to damage by water, not resulting from negligence of the Port.

The Lessee shall indemnify and save harmless the Port against and from any and all claims by or on behalf of any person, firm or corporation arising from the conduct or management of or from any work or thing whatsoever done by the Lessee or its agents, contractors, servants, or employees in or about the demised Premises or the building, and will further indemnify and save the Port harmless against and from any and all claims arising from any breach or default on the part of the Lessee in the performance of any covenant or agreement on the part of the Lessee to be performed, pursuant to the terms of this Lease or arising from any act of negligence of the Lessee, or any of its agents, contractors, servants, or employees occurring during the term of this Lease in or about the demised Premises or the building, and from and against all costs, counsel fees, expenses, and liabilities incurred in or about any such claim or action or proceeding brought thereon. In case any action or proceeding be brought against the Port by reason of any such claim, the Port may, at its option, require that the Lessee resist or defend such action or proceeding at the Lessee's own cost and expense and by counsel reasonably satisfactory to the Port.

Section 4.06 - Vacation: Upon vacation or abandonment of the Premises by the Lessee prior to the expiration of the Lease term without written consent of the Port endorsed hereon, the Port may forthwith enter upon the Premises or any portion thereof and relet and otherwise exercise control over the same and that for the

purpose of such reletting the said Port is authorized at the cost of the Lessee to make any repairs, changes, alterations, or additions in or to said demised Premises which may be necessary in the opinion for the Port for the purpose of such reletting, and such entry and control shall not release the Lessee from the obligations herein, but Lessee shall nevertheless remain liable and continue bound, unless the Port, at Port's election, shall cancel the Lease and in the event cancellation shall be effected and Port and Lessee released from all obligations thereunder thereafter to accrue, upon the mailing of such notice of cancellation by Port to Lessee at Lessee's last known address.

Section 4.07 - Admittance: The Port shall not be liable for the consequences of admitting by pass-key or refusing to admit to said Premises the Lessee or any of the Lessee's agents or employees or other persons claiming the right of admittance.

Section 4.08 - Electrical: The Lessee shall not, without Port's written consent, operate or install any electrical equipment or operate or install any machinery or mechanical device on said Premises other than that normal to office use.

Section 4.09 - Inspection: The Port and the Port's agents, janitors, workmen and engineers may retain and use a pass-key to the Premises described herein to enable them to examine said Premises

from time to time with reference to any emergency or to the general maintenance of said Premises, or for the purposes of exhibiting the same.

Section 4.10 - Premises Care: The Lessee shall at all times take good care of the demised Premises and shall keep and maintain the leased premises and all improvements of any kind, which may be erected, installed, or made thereon by Lessee, in good and substantial repair and condition. Lessee shall provide proper containers for trash and garbage and shall keep the leased premises free and clear of rubbish, debris and litter at all times. Port shall at all times during ordinary business hours have the right to enter upon and inspect such premises. Such inspections shall be made only at a mutually agreeable time.

Section 4.11 - Surrender: At the expiration or sooner termination of this Lease, the Lessee will surrender and deliver up said Premises to the Port or those having the Port's estate therein, in the same condition as the Lessee now receives said Premises, ordinary wear and tear and damage by fire and the elements alone excepted.

Section 4.12 - Action/Suit: If any suit or appeal thereof is instituted by either party for the enforcement of any covenant contained in this Lease, the prevailing party shall recover, in

addition to costs and disbursements, such attorneys' fees as the court may adjudge reasonable to be allowed in such suit or action or appeal thereof.

Section 4.13 - Default: If the rent shall be in arrears for a period of ten (10) days; or if the Lessee fails to keep or perform any of the covenants or conditions of this Lease; or if the leasehold interest of the Lessee shall be attached or levied on under execution; or if a petition is filed by Lessee for an arrangement with his creditors under Chapter 11 of the Bankruptcy Act; or if the Lessee shall be declared bankrupt or insolvent according to law; or if any assignment of the Lessee's property shall be made for the benefit of creditors, or otherwise, or if the Lessee fails to make prompt payment of any amounts due the Port in connection with the Lessee's occupancy of the Premises, then, and in any of said events, the Port may at the Port's option at once, without notice to the Lessee or any other person, terminate this Lease; and upon the termination of said Lease at the option of the Port, as aforesaid, or at the expiration of this Lease, and upon the termination of said Lease by its terms, the Lessee will at once surrender possession of said Premises to the Port and remove all the Lessee's effects therefrom; and if such possession be not immediately surrendered, the Port may forthwith enter into and on said Premises and repossess them as of the Port's former estate and expel the Lessee, or those claiming under the Lessee, and remove the

effects of any of them, forcibly if necessary, and lock said Premises, without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenants; and that in such event the Lessee expressly waives the service of any notice of intention so to terminate this Lease or to retake the Premises, and waives service of any demand for payment of rent or for possession and of any and every other notice or demand prescribed by any law of the State of Oregon.

Section 4.14 - Remedies on Default: In the event of termination on default, the Port shall be entitled to request immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the Lease term the value of the Lessee's obligations to pay rent under this Lease, plus the reasonable cost of re-entry and reletting, including, without limitation, the cost of any cleanup, refurbishing, removal of the Lessee's property and fixtures or any other expense occasioned by the Lessee's failure to quit the demised Premises upon termination or to leave them in the required condition, any remodeling costs, attorneys' fees, court costs, broker commissions, and advertising costs, plus the unpaid cost of any tenant improvements being amortized over the term of this Lease, plus the amount of the loss of reasonable rental value from the date of default until a new tenant has been, or, with the exercise of reasonable diligence, could have been secured.

Section 4.15 - Liens: The Lessee shall not suffer or permit any mechanic's lien to be filed against the fee of the demised Premises nor against the Lessee's leasehold interest in said Premises by reason of work, labor, services, or materials thereof through or under the Lessee, and nothing in this Lease contained shall be deemed or construed in any way as constituting the consent or request of the Port, express or implied, by inference or otherwise to any contractor, subcontractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration, or repair of or to the demised Premises or any part thereof, nor as giving the Lessee any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanic's lien against the fee of the demised Premises. If any such mechanic's lien shall at any time be filed against demised Premises, the Lessee shall cause the same to be discharged of record within twenty (20) days after the date of filing the same.

Section 4.16 - Holding Over: If the Lessee shall hold over after the expiration of the term of this Lease, and shall not have agreed in writing with the Port upon the terms and provisions of a new lease prior to such expiration, the Lessee shall remain bound by all terms, covenants, and agreements hereof, except that the tenancy shall be one from month to month.

Section 4.17 - Utilities: Lessee shall promptly pay any charges for sewer, water, gas, electricity, telephone, and all other charges for utilities which may be furnished to the leased premises (see Attachment 'A').

Section 4.18 - Regulations: The Port, for the proper maintenance of said building; the rendering of good service, and the providing of safety, order, and cleanliness, may make and enforce regulations appropriate for such purposes but not in enlargement of or inconsistent with the terms, covenants and conditions of this Lease.

Section 4.19 - Waiver: Any waivers shall be in writing. The covenants of this Lease are continuing covenants and the waiver by the Lessor of breaches of said covenants shall not be deemed a waiver of subsequent breaches thereof.

Section 4.20 - Modification: This Lease may not be modified except by endorsement in writing attached to this Lease, dated and signed by all the parties hereto, and Port shall not be bound by any oral or written statement of any servant, agent, or employee modifying this Lease.

Section 4.21 - Parties: The rights, liabilities, and remedies provided for herein shall extend to the heirs, legal representatives,

successors and, so far as the terms of this Lease permit, assigns of the parties hereto, and the words "Port" and "Lessee" and their accompanying verbs or pronouns, wherever used in this Lease, shall apply equally to all persons, firms, or corporations which may be or become parties hereto.

Section 4.22 - Subordination: This Lease shall be subject and subordinate to such liens and encumbrances as are now on or as Port may hereafter impose on the land and building, and the Lessee shall upon request of Port, execute and deliver agreements of subordination consistent herewith.

Section 4.23 - Taxes: Lessee agrees to pay all lawful taxes and assessments which during the term hereof or any extension may become a lien or which may be levied by the State, County, City, or any other tax levying body upon the Premises or upon any taxable interest by Lessee acquired in this Lease or any taxable possessory right which Lessee may have in or to the Premises or facilities hereby leased or the improvements thereon by reason of its occupancy thereof as well as all taxes on all taxable property, real or personal, owned by Lessee in or about said Premises. Upon making such payments, Lessee shall give to the Port a copy of the receipts and vouchers showing such payment. Upon any termination of tenancy, all taxes then levied or then a lien on any of said property or taxable interest therein shall be paid in full without proration by

Lessee forthwith or as soon as a statement thereof has been issued by tax collector.

Section 4.24 - Insurance: Lessee shall maintain comprehensive, general and automobile liability insurance for the protection of Lessee, directors, officers, servants, and employees, insuring Lessee against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises leased or occasioned by reason of the operations of the Lessee with insurance of not less than One Million and No/100 Dollars (\$1,000,000.00) combined single limit. Such insurance shall name the Port, its commissioners, officers, and employees as additional named insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by the Lessee.

Lessee shall furnish to the Port an acceptable certificate evidencing the date, amount, and type of insurance that has been procured pursuant to this Lease. All policies of insurance will provide for not less than thirty (30) days written notice to the Port and the Lessee before such policies may be revised, nonrenewed or cancelled.

Section 4.25 - Notices: All notices required under this Lease shall be deemed to be properly served if sent by certified mail to the last address previously furnished by the parties hereto. Until hereafter changed by the parties by notice in writing, notices shall be sent to the Port at the Port of Portland, PO Box 3529, Portland, Oregon 97208, and to the Lessee at Lockport Marine Company, 5555 North Channel Avenue, Building 10, Portland, Oregon 97217.

IN WITNESS WHEREOF, the parties hereto have subscribed their names.

LOCKPORT MARINE COMPANY

By _____
Bill Baldwin

By _____


APPROVED AS TO FORM:

Counsel for Lessee

THE PORT OF PORTLAND

By _____

EXECUTIVE DIRECTOR

By _____

APPROVED AS TO LEGAL SUFFICIENCY:


Counsel for The Port of Portland

ATTACHMENT 'A'

This disclosure statement refers to the lease dated November 1, 1985, between the PORT OF PORTLAND and LOCKPORT MARINE COMPANY, for the month-to-month rental of the improved space commonly known as Building 4 Annex, Area E.

For the authorized purposes of the above lease, the following utilities will be provided at the stated rates:

<u>Y/N</u>	<u>UTILITY</u>	<u>NOTE</u>
<u>Y</u>	Electricity	
<u>N</u>	Natural Gas	
<u>N</u>	Steam	
<u>N</u>	Compressed Air	
<u>N</u>	Oxygen	
<u>Y</u>	Area Heat	
<u>N</u>	Area Air Conditioning	
<u>Y</u>	Water	
<u>Y</u>	Sewer	
<u>Y</u>	Flat rate of \$0.10 per square foot per month (\$120.00 per month)	

TELEPHONE SERVICE IS THE RESPONSIBILITY OF THE LESSEE.

The rates are subject to change upon thirty-days notice.

ACKNOWLEDGED:


Signature

Date

MONTH-TO-MONTH
LEASE OF IMPROVED SPACES

THIS LEASE, dated November 12, 1985, by and between THE PORT OF PORTLAND, a municipal corporation of the State of Oregon, hereinafter referred to as "Port," and LOCKPORT MARINE COMPANY, a corporation organized under the laws of the State of Oregon, hereinafter referred to as "Lessee."

ARTICLE I - PREMISES

Section 1.01. - Description: Port leases to Lessee, on the terms and conditions stated below, the Premises consisting of approximately Five Thousand Seven Hundred Seventy-Six (5,776) square feet which is on the date of this Lease improved and commonly known as Building 10, Upper Floor Offices, South Wing (hereinafter referred to as "Premises").

Section 1.02 - Use of Premises: Lessee may use the Premises only for the following purpose: Offices related to ship repair.

ARTICLE II - TERM

Section 2.01 - Term: The term of this Lease shall commence on September 1, 1985, and shall continue indefinitely unless terminated by either party upon thirty (30) days written notice or by Lessee's default.

ARTICLE III - RENTAL

Section 3.01 - Basic Rent: Lessee shall pay to Port as rent the sum of One Thousand Six Hundred Ninety-Nine and Sixty Cents (\$1,699.60) per month. Rent shall be payable on the tenth (10th) day of each month in advance, except that rent for the first and last months has been paid upon the execution of this Lease and Port acknowledges receipt of this sum.

Section 3.02 - Place of Payments: Payment shall be to Port at the Port of Portland, PO Box 3529, Portland, Oregon 97208, or such other place as Port may designate. All amounts not paid by Lessee when due shall bear interest at the rate of eighteen percent (18%) per annum. The interest rate of eighteen percent (18%) on overdue accounts is subject to periodic adjustment to reflect the Port's then current interest rate charged on overdue accounts.

ARTICLE IV - GENERAL CONDITIONS

Section 4.01 - Delivery: Should Port be unable to deliver possession of the Premises on the date fixed for the commencement of the term, Lessee shall owe no rent until notice from Port tendering possession to Lessee. If possession is not so tendered within sixty (60) days following commencement of the term, then Lessee may elect to cancel this Lease by notice to Port within ten (10) days following expiration of the sixty (60) day period. Port shall have no liability to Lessee for delay in delivering possession, nor shall such delay extend the term of this Lease in any manner.

In the event Port shall permit Lessee to occupy the Premises prior to the commencement date herein set forth, such occupancy shall be subject to all the provisions of this Lease. Said early possession shall not advance the termination date hereinabove provided.

Section 4.02 - Assignment: The Lessee will not assign this Lease or any interest hereunder, and will not permit any assignment hereof by operation of law, and will not subrent or sublet said Premises or any portion thereof, and will not permit the use or occupancy of said Premises by other than the Lessee and his agents and employees of the Lessee, without first obtaining the written consent of the Port.

Section 4.03 - Alterations: The Lessee will make no installations, alterations, modification, or additions to said Premises without first obtaining the written consent of the Port and all additions, improvements, and fixtures, except the moveable office furniture and trade fixtures of the Lessee, made or added either by the Lessee or Port shall be and remain the property of the Port; provided, however, the Port may require that the Lessee remove upon termination of this Lease any additions made or fixtures added by the Lessee at the Lessee's expense.

Section 4.04 - Uses: The Lessee will not use or permit in said Premises anything that will increase the rate of fire insurance thereon or prevent the Port taking advantage of any ruling of the Insurance Service Office of Oregon or its successors, which would allow the Port to obtain reduced rates for long-term insurance policies; or maintain anything that may be dangerous to life or limb; or in any manner deface or injure said building or any portion thereof; or overload the floors; or permit any objectionable noise or odor to escape or to be emitted from said Premises; or permit anything to be done upon said Premises in any way tending to create a nuisance or to disturb any other tenants of the building, or to injure the reputation of the building; or to use or permit the use of said Premises for lodging or sleeping purposes or for any immoral or illegal purposes; and that the Lessee will comply at Lessee's own cost and expense with all orders, notices, regulation, or requirements of any municipality, state, or other governmental authority respecting the use of said Premises.

Section 4.05 - Liability: The Port shall not be liable to the Lessee for damage to person or property resulting from the negligence of a co-tenant or anyone else other than the Port, or for any damage to person or property resulting from any condition of the Premises or other cause, including but not limited to damage by water, not resulting from negligence of the Port.

The Lessee shall indemnify and save harmless the Port against and from any and all claims by or on behalf of any person, firm or corporation arising from the conduct or management of or from any work or thing whatsoever done by the Lessee or its agents, contractors, servants, or employees in or about the demised Premises or the building, and will further indemnify and save the Port harmless against and from any and all claims arising from any breach or default on the part of the Lessee in the performance of any covenant or agreement on the part of the Lessee to be performed, pursuant to the terms of this Lease or arising from any act of negligence of the Lessee, or any of its agents, contractors, servants, or employees occurring during the term of this Lease in or about the demised Premises or the building, and from and against all costs, counsel fees, expenses, and liabilities incurred in or about any such claim or action or proceeding brought thereon. In case any action or proceeding be brought against the Port by reason of any such claim, the Port may, at its option, require that the Lessee resist or defend such action or proceeding at the Lessee's own cost and expense and by counsel reasonably satisfactory to the Port.

Section 4.06 - Vacation: Upon vacation or abandonment of the Premises by the Lessee prior to the expiration of the Lease term without written consent of the Port endorsed hereon, the Port may forthwith enter upon the Premises or any portion thereof and relet and otherwise exercise control over the same and that for the

purpose of such reletting the said Port is authorized at the cost of the Lessee to make any repairs, changes, alterations, or additions in or to said demised Premises which may be necessary in the opinion for the Port for the purpose of such reletting, and such entry and control shall not release the Lessee from the obligations herein, but Lessee shall nevertheless remain liable and continue bound, unless the Port, at Port's election, shall cancel the Lease and in the event cancellation shall be effected and Port and Lessee released from all obligations thereunder thereafter to accrue, upon the mailing of such notice of cancellation by Port to Lessee at Lessee's last known address.

Section 4.07 - Admittance: The Port shall not be liable for the consequences of admitting by pass-key or refusing to admit to said Premises the Lessee or any of the Lessee's agents or employees or other persons claiming the right of admittance.

Section 4.08 - Electrical: The Lessee shall not, without Port's written consent, operate or install any electrical equipment or operate or install any machinery or mechanical device on said Premises other than that normal to office use.

Section 4.09 - Inspection: The Port and the Port's agents, janitors, workmen and engineers may retain and use a pass-key to the Premises described herein to enable them to examine said Premises

from time to time with reference to any emergency or to the general maintenance of said Premises, or for the purposes of exhibiting the same.

Section 4.10 - Premises Care: The Lessee shall at all times take good care of the demised Premises and shall keep and maintain the leased premises and all improvements of any kind, which may be erected, installed, or made thereon by Lessee, in good and substantial repair and condition. Lessee shall provide proper containers for trash and garbage and shall keep the leased premises free and clear of rubbish, debris and litter at all times. Port shall at all times during ordinary business hours have the right to enter upon and inspect such premises. Such inspections shall be made only at a mutually agreeable time.

Section 4.11 - Surrender: At the expiration or sooner termination of this Lease, the Lessee will surrender and deliver up said Premises to the Port or those having the Port's estate therein, in the same condition as the Lessee now receives said Premises, ordinary wear and tear and damage by fire and the elements alone expected.

Section 4.12 - Action/Suit: If any suit or appeal thereof is instituted by either party for the enforcement of any covenant contained in this Lease, the prevailing party shall recover, in

addition to costs and disbursements, such attorneys' fees as the court may adjudge reasonable to be allowed in such suit or action or appeal thereof.

Section 4.13 - Default: If the rent shall be in arrears for a period of ten (10) days; or if the Lessee fails to keep or perform any of the covenants or conditions of this Lease; or if the leasehold interest of the Lessee shall be attached or levied on under execution; or if a petition is filed by Lessee for an arrangement with his creditors under Chapter 11 of the Bankruptcy Act; or if the Lessee shall be declared bankrupt or insolvent according to law; or if any assignment of the Lessee's property shall be made for the benefit of creditors, or otherwise, or if the Lessee fails to make prompt payment of any amounts due the Port in connection with the Lessee's occupancy of the Premises, then, and in any of said events, the Port may at the Port's option at once, without notice to the Lessee or any other person, terminate this Lease; and upon the termination of said Lease at the option of the Port, as aforesaid, or at the expiration of this Lease, and upon the termination of said Lease by its terms, the Lessee will at once surrender possession of said Premises to the Port and remove all the Lessee's effects therefrom; and if such possession be not immediately surrendered, the Port may forthwith enter into and on said Premises and repossess them as of the Port's former estate and expel the Lessee, or those claiming under the Lessee, and remove the

effects of any of them, forcibly if necessary, and lock said Premises, without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenants; and that in such event the Lessee expressly waives the service of any notice of intention so to terminate this Lease or to retake the Premises, and waives service of any demand for payment of rent or for possession and of any and every other notice or demand prescribed by any law of the State of Oregon.

Section 4.14 - Remedies on Default: In the event of termination on default, the Port shall be entitled to request immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the Lease term the value of the Lessee's obligations to pay rent under this Lease, plus the reasonable cost of re-entry and reletting, including, without limitation, the cost of any cleanup, refurbishing, removal of the Lessee's property and fixtures or any other expense occasioned by the Lessee's failure to quit the demised Premises upon termination or to leave them in the required condition, any remodeling costs, attorneys' fees, court costs, broker commissions, and advertising costs, plus the unpaid cost of any tenant improvements being amortized over the term of this Lease, plus the amount of the loss of reasonable rental value from the date of default until a new tenant has been, or, with the exercise of reasonable diligence, could have been secured.

Section 4.15 - Liens: The Lessee shall not suffer or permit any mechanic's lien to be filed against the fee of the demised Premises nor against the Lessee's leasehold interest in said Premises by reason of work, labor, services, or materials thereof through or under the Lessee, and nothing in this Lease contained shall be deemed or construed in any way as constituting the consent or request of the Port, express or implied, by inference or otherwise to any contractor, subcontractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration, or repair of or to the demised Premises or any part thereof, nor as giving the Lessee any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanic's lien against the fee of the demised Premises. If any such mechanic's lien shall at any time be filed against demised Premises, the Lessee shall cause the same to be discharged of record within twenty (20) days after the date of filing the same.

Section 4.16 - Holding Over: If the Lessee shall hold over after the expiration of the term of this Lease, and shall not have agreed in writing with the Port upon the terms and provisions of a new lease prior to such expiration, the Lessee shall remain bound by all terms, covenants, and agreements hereof, except that the tenancy shall be one from month to month.

Section 4.17 - Utilities: Lessee shall promptly pay any charges for sewer, water, gas, electricity, telephone, and all other charges for utilities which may be furnished to the leased premises (see Attachment 'A').

Section 4.18 - Regulations: The Port, for the proper maintenance of said building; the rendering of good service, and the providing of safety, order, and cleanliness, may make and enforce regulations appropriate for such purposes but not in enlargement of or inconsistent with the terms, covenants and conditions of this Lease.

Section 4.19 - Waiver: Any waivers shall be in writing. The covenants of this Lease are continuing covenants and the waiver by the Lessor of breaches of said covenants shall not be deemed a waiver of subsequent breaches thereof.

Section 4.20 - Modification: This Lease may not be modified except by endorsement in writing attached to this Lease, dated and signed by all the parties hereto, and Port shall not be bound by any oral or written statement of any servant, agent, or employee modifying this Lease.

Section 4.21 - Parties: The rights, liabilities, and remedies provided for herein shall extend to the heirs, legal representatives,

successors and, so far as the terms of this Lease permit, assigns of the parties hereto, and the words "Port" and "Lessee" and their accompanying verbs or pronouns, wherever used in this Lease, shall apply equally to all persons, firms, or corporations which may be or become parties hereto.

Section 4.22 - Subordination: This Lease shall be subject and subordinate to such liens and encumbrances as are now on or as Port may hereafter impose on the land and building, and the Lessee shall upon request of Port, execute and deliver agreements of subordination consistent herewith.

Section 4.23 - Taxes: Lessee agrees to pay all lawful taxes and assessments which during the term hereof or any extension may become a lien or which may be levied by the State, County, City, or any other tax levying body upon the Premises or upon any taxable interest by Lessee acquired in this Lease or any taxable possessory right which Lessee may have in or to the Premises or facilities hereby leased or the improvements thereon by reason of its occupancy thereof as well as all taxes on all taxable property, real or personal, owned by Lessee in or about said Premises. Upon making such payments, Lessee shall give to the Port a copy of the receipts and vouchers showing such payment. Upon any termination of tenancy, all taxes then levied or then a lien on any of said property or taxable interest therein shall be paid in full without proration by

Lessee forthwith or as soon as a statement thereof has been issued by tax collector.

Section 4.24 - Insurance: Lessee shall maintain comprehensive, general and automobile liability insurance for the protection of Lessee, directors, officers, servants, and employees, insuring Lessee against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises leased or occasioned by reason of the operations of the Lessee with insurance of not less than One Million and No/100 Dollars (\$1,000,000.00) combined single limit. Such insurance shall name the Port, its commissioners, officers, and employees as additional named insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by the Lessee.

Lessee shall furnish to the Port an acceptable certificate evidencing the date, amount, and type of insurance that has been procured pursuant to this Lease. All policies of insurance will provide for not less than thirty (30) days written notice to the Port and the Lessee before such policies may be revised, nonrenewed or cancelled.

Section 4.25 - Notices: All notices required under this Lease shall be deemed to be properly served if sent by certified mail to the last address previously furnished by the parties hereto. Until hereafter changed by the parties by notice in writing, notices shall be sent to the Port at the Port of Portland, P.O. Box 3529, Portland, Oregon 97208, and to the Lessee at Lockport Marine Company, 5555 N. Channel Avenue, Portland, Oregon 97217.

Date of service of such notice is date such notice is deposited in a post office of the United States Post Office Department, postage prepaid.

IN WITNESS WHEREOF, the parties hereto have subscribed their names.

LOCKPORT MARINE COMPANY

By 
Ed Payne, General Manager

By _____

APPROVED AS TO FORM:

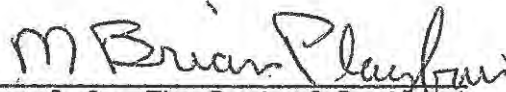
Counsel for Lessee

THE PORT OF PORTLAND

By 
EXECUTIVE DIRECTOR

By _____

APPROVED AS TO LEGAL SUFFICIENCY:


Counsel for The Port of Portland

ATTACHMENT 'A'

This disclosure statement is attached to and a part of the lease dated _____, between the PORT OF PORTLAND and LOCKPORT MARINE COMPANY, for the month-to-month rental of the improved space commonly known as Building 10, Upper Floor Offices, South Wing Offices.

For the authorized purposes of the above lease, the following utilities will be provided at the stated rates:

<u>Y/N</u>	<u>UTILITY</u>	<u>NOTE</u>
<u>Y</u>	Electricity	
<u>N</u>	Natural Gas	
<u>N</u>	Steam	
<u>N</u>	Compressed Air	
<u>N</u>	Oxygen	
<u>Y</u>	Area Heat	
<u>N</u>	Area Air Conditioning	
<u>Y</u>	Water	
<u>Y</u>	Sewer	
<u>Y</u>	Flat rate of \$0.10 per square foot per month (\$577.60 per month)	

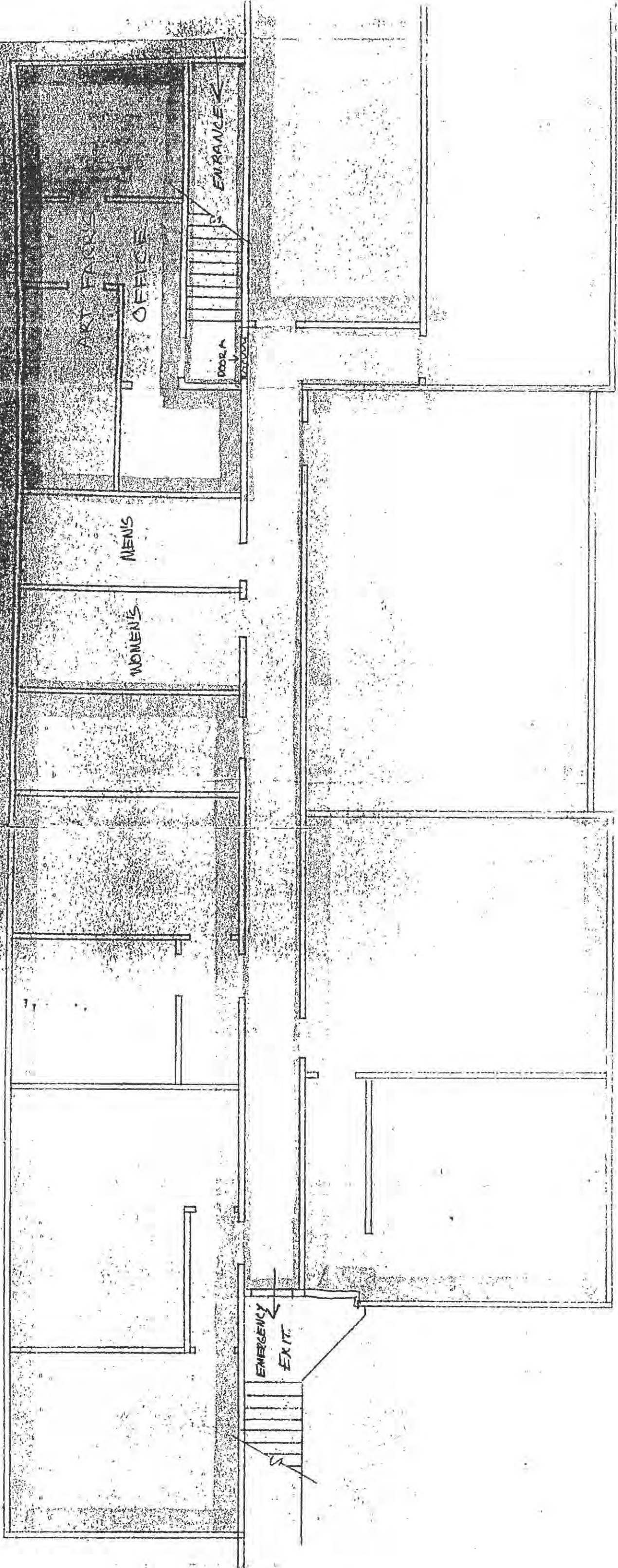
TELEPHONE SERVICE IS THE RESPONSIBILITY OF THE LESSEE.

The rates are subject to change upon thirty-days notice.

ACKNOWLEDGED:


Signature

Date



BUILDING 10
UPPER FLOOR OFFICES
SOUTH WING

354/sf/mo.

NO CHARGE

PUBLIC

NOT INCLUDED